

PE – Pittsfield, L.L.C.

1732 West Genesee Street
Syracuse, NY 13202
Tel. (315) 448-2266
Fax (315) 448-0264

VIA FACSIMILE AND FIRST CLASS MAIL

October 4, 2004

Mr. Henry H. Assen
Devon Canada Corporation
1600, 324 – 8th Avenue S.W.
Calgary, Alberta T2P 2Z5
Canada

Re: Pittsfield Project: Termination of Power Purchase Agreements

Dear Henry:

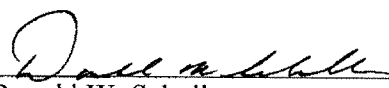
I am writing to advise you that the two power purchase agreements between Pittsfield Generating Company, L.P. ("PGC") and Commonwealth Electric Company and Cambridge Electric Light Company were terminated effective as of 12:00:01 am on October 1, 2004.

With respect to your letter dated September 15, 2004 to Shawmut Bank Connecticut National Association stating that Devon intends to terminate its Gas Purchase Agreement ("GPA") with PGC, please be advised that any such termination by Devon would violate the terms of the GPA. Should Devon cease delivering gas in accordance with the GPA, PGC will hold Devon fully responsible for any and all damages that accrue to PGC.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.

By: PE – Pittsfield, L.L.C., its sole general partner

By: 
Donald W. Scholl

cc: Carsten Jensen (w/o enc.)
David Brown (w/o enc.)



Devon Canada Corporation
2000, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2
Phone: (403) 232-7100

Via Fax and Registered Mail

October 5, 2004

Pittsfield Generating Company, LP
1732 West Genesee Street
Syracuse, New York
13204 U.S.A.

Attention: Donald W. Scholl

Dear Sirs:

RE: Notice of Termination of the Natural Gas Purchase and Sale Agreement dated August 23, 1995, as amended to date (the "GPA") between Home Oil Company Limited which is now known as Devon Canada Corporation ("Devon") and Altresco Pittsfield, L.P. which is now known as Pittsfield Generating Company, L.P. ("PGC")

On June 7, 2004, PGC informed Devon that it had entered into termination agreements (the "Termination Agreements") with Commonwealth Electric Company and Cambridge Electric Light Company, respectively, with respect to the Power Sale Agreements (the "PSAs") with those two companies. Devon subsequently received copies of those Termination Agreements and commenced action number 0401-10854 in the Court of Queen's Bench of Alberta, Judicial District of Calgary against PGC and others (the "Alberta Action").

In the Statement of Claim in the Alberta Action, Devon has stated that the provisions of the GPA and the gas supply provided by Devon thereunder are inextricably linked to the PGC cogeneration plant and to the PSAs such that the unilateral termination of the PSAs is conduct on the part of the Defendants in the Alberta Action which evinces an intention on their part not to be bound by the GPA. Devon made it clear on the public record in the Alberta Action that it accepts such repudiation and therefore will consider itself to be discharged from all of its obligations under the GPA as of the effective date of the termination under the Termination Agreements (the "Effective Date").

Furthermore, Devon has on September 15, 2004, given notice to the "relevant assignee", namely Shawmut Bank Connecticut National Association, under the terms of the Consent and Agreement dated as of October 23, 1995, among Devon, PGC and others, of Devon's intention to terminate effective as of the Effective Date (the "September 15th Notice"). A copy of the September 15th Notice was provided to PGC.

- 2 -

We have learned that the Effective Date was October 1, 2004. Accordingly, we hereby give you notice that effective 8:00 a.m. (Calgary time) on October 8, 2004, Devon shall cease deliveries at the Empress delivery point under the GPA. This notice to you is not only notice of Devon's ceasing to make deliveries under the GPA, but also notice of its acceptance of your repudiation of the GPA and the termination of further performance thereunder by Devon. This letter, therefore, is a repetition of the previous notices to you given in the Statement of Claim in the Alberta Action and in the September 15th Notice. The reasons for the termination of deliveries and of Devon's performance under the GPA, are as set forth in the Statement of Claim in the Alberta Action.

Based on PGC's actions and the statements made on its behalf to date in the context of the Alberta Action, Devon understands that PGC does not agree that Devon's performance under the GPA can be terminated and therefore does not agree with Devon's ceasing deliveries thereunder as set forth above. Under these circumstances, Devon intends to proceed expeditiously with the Alberta Action to seek the declaratory relief claimed therein in order to confirm the validity of the steps that it has taken.

Yours truly,

DEVON CANADA CORPORATION

Per: 

Henry Assen, Vice President, Marketing



Devon Canada Corporation
2000, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2
Phone: (403) 232-7100

Via Fax and Registered Mail

October 5, 2004

Pittsfield Generating Company, LP
1732 West Genesee Street
Syracuse, New York
13204 U.S.A.

Attention: Donald W. Scholl

Dear Sirs:

RE: Offer of Assistance in Mitigation with respect to Natural Gas Purchase and Sale Agreement dated August 23, 1995, as amended to date (the "GPA") between Home Oil Company Limited which is now known as Devon Canada Corporation ("Devon") and Altresco Pittsfield, L.P. which is now known as Pittsfield Generating Company, L.P. ("PGC")

Devon has today delivered to PGC a Notice of Termination in relation to the GPA.

Devon intends to proceed expeditiously with Action No. 0401-10854 in the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Alberta Action") to seek the declaratory relief claimed therein in order to confirm the validity of the steps that it has taken.

Since the outset of deliveries of gas under the GPA through to the present time, certain quantities of gas as more fully described in the GPA have been delivered by Devon under the GPA at the Empress delivery point. In order to transport the gas to that delivery point, Devon has utilized certain Nova Firm Service Delivery transportation ("Nova FSD transportation") to accommodate those particular quantities.

In light of the termination of deliveries by Devon under the GPA, PGC may decide to purchase alternate gas at the Empress delivery point either from Devon (as described below) or from any other party in order to continue to utilize the firm transportation that it holds from the Empress delivery point to the Pittsfield cogeneration plant.

At this point, Devon intends to sell the volumes previously delivered under the GPA at the Empress delivery point. In this regard, Devon is prepared to deliver and sell gas to PGC at Empress on a daily basis. If PGC wishes to make such purchases, the purchase price will be the daily index price, as reported by NGX, at the Empress delivery point. Devon will require PGC to provide either a pre-payment or a letter of credit equal to the value of 60 days of gas deliveries

as well as to enter into a mutually agreeable form of gas purchase and sale agreement (utilizing the GasEDI Base contract model agreement).

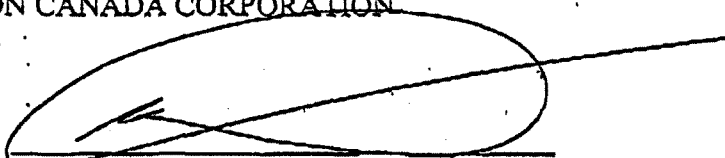
If, in the alternative, PGC wishes to source gas from a third party at the Nova Inventory Transfer delivery point, Devon hereby advises PGC that it is prepared to assign the Nova FSD transportation associated with the GPA to PGC on an expedited basis.

Kindly contact Keith Fardy ((403) 213-7966) should you wish to make the arrangements as contemplated herein.

Yours truly,

DEVON CANADA CORPORATION

Per:



Henry H. Assen, Vice President, Marketing